

Message Text

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ACTION EUR-12

INFO OCT-01 AF-06 ARA-06 EA-06 ISO-00 NEA-09 IO-10 OIC-02

PA-01 PRS-01 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-02

NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-03 SP-02 SS-15

STR-04 TRSE-00 FRB-03 FEA-01 NSCE-00 SSO-00 USIE-00

INRE-00 /128 W

----- 105063

O 120019Z APR 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 8426

AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY ANKARA

AMEMBASSY BERN

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

AMEMBASSY CARACAS

AMEMBASSY COPENHAGEN

AMEMBASSY DOHA

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KINSHASA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY NEW DELHI

AMEMBASSY OSLO

AMEMBASSY OTTAWA

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AMEMBASSY QUITO

AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TEHRAN
AMEMBASSY TOKYO
AMEMBASSY TRIPOLI
AMEMBASSY VIENNA
AMEMBASSY WELLINGTON
USMISSION NATO
USMISSION EC BRUSSELS
AMEMBASSY BONN
USINT BAGHDAD
USMISSION USUN

C O N F I D E N T I A L SECTION 01 OF 02 PARIS 09291

ABU DHABI, DOHA AND KUWAIT PASS PARSKY

E.O. 11652
TAGS: ENRG
SUBJ: PRODUCER/CONSUMER CONFERENCE - FIFTH DAY

REF: PARIS 9167

1. SUMMARY: DESPITE INTENSIVE NEGOTIATIONS, BASIC DIFFERENCE OF VIEWS ON KEY ISSUE OF TYPE OF CONFERENCE WAS NOT RESOLVED. THE OPEC/LDC GROUP REFUSED TO CONCEDE THAT FORMAL CONFERENCE SHOULD FOCUS ON ENERGY AND "ENERGY-RELATED ISSUES," AND HAS SO FAR REFUSED TO MAKE ANY MOVE FROM PURE OPEC SOLEMN DECLARATION APPROACH. INDUSTRIALIZED COUNTRIES, WHILE EXHIBITING CONSIDERABLE FLEXIBILITY IN DEFINING BROADLY "ENERGY-RELATED ISSUES," INSISTED ON AN ENERGY CONFERENCE. IEA GOVERNING BOARD, EC AND JAPAN HAVE SHOWN STRONG UNITY. BASIC ISSUE THUS POSED IS WHETHER INDUSTRIALIZED COUNTRIES WILL ACCEPT PRINCIPLE OF NEW INTERNATIONAL ECONOMIC ORDER AS PRICE OF ADMISSION TO DIALOGUE ON OIL, IN WHICH OPEC COUNTRIES HAVE SHOWN ONLY VERY FUZZY WILLINGNESS TO ENGAGE. UNTIL LAST MOMENT, IT APPEARED THAT
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TALKS MIGHT BE BROKEN OFF. INSTEAD THE CONTACT GROUP AGREED TO MEET AGAIN ON SATURDAY TO TRY AGAIN.
END SUMMARY

2. REVISED EC DRAFT AGENDA (REFTEL) WAS PRESENTED INFORMALLY AT MORNING SESSION TO CONTACT GROUP (IRAN, ZAIRE, SAUDI ARABIA, ALGERIA AND EC

PLUS U.S. AND JAPANESE OBSERVERS). THE
OPEC/LDC GROUP TABLED A NEW DRAFT IN RESPONSE.
(SEESEPTTEL) THIS DRAFT, MERGED AND CONSIDERABLY
SOFTENED THE ANALYTICAL (PARA 4) AND AREAS OF CO-
OPERATION (PARA 5) SECTIONS OF THE EC AGENDA AND
THEN REPEATED EARLIER OPEC/LDC AGENDA POINTS.

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STR-04 TRSE-00 FRB-03 FEA-01 NSCE-00 SSO-00 USIE-00

INRE-00 /128 W

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O 120019Z APR 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 8427

AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY ANKARA

AMEMBASSY BERN

AMEMBASSY BRASILIA

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C O N F I D E N T I A L SECTION 02 OF 02 PARIS 09291

3. AROUND NOON, EC NEGOTIATOR GALLAGHER REQUESTED JAPAN AND U.S. TO CONSECUTIVELY ADVISE CONTACT GROUP THAT THEY SUPPORTED REVISED EC DRAFT. BEFORE JAPANESE DELEGATION COULD SPEAK, HOWEVER, ALGERIAN REP PROPOSED ENLARGEMENT OF THE CONTACT GROUP TO TEN COUNTRIES WITH A FORMAL CHAIRMAN. THE EC (WITH U.S. AND JAPANESE AGREEMENT) INDICATED THAT THE OPEC/LDC GROUP COULD INCREASE THEIR REPRESENTATION TO SEVEN IF THEY CHOSE AND THAT THE INDUSTRIALIZED NATIONS WOULD DECIDE THE MANNER OF THEIR PARTICIPATION IN CONTACT GROUP'S DISCUSSIONS, WITH EC REMAINING AS SPOKESMAN.

4. THIS ALGERIAN PROCEDURAL TACTIC WAS ATTEMPT TO REVIVE EARLIER EFFORT TO EXCLUDE PARTICIPATION IN THE DISCUSSIONS BY THE IEA. WHEN IT BECAME CLEAR THAT INDUSTRIAL NATIONS WOULD NOT PERMIT THIS TO HAPPEN, THE FOUR OPEC/LDC REPS ELECTED NOT TO ENLARGE THEIR REPRESENTATION IN CONTACT GROUP.

5. THE CONTACT GROUP THEN BEGAN DISCUSSING

ELEMENTS OF DIFFERENCE ON SPECIFIC AGENDA POINTS,
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IN ORDER TO SEE IF SOME ACCOMMODATION WAS POSSIBLE. GALLAGHER'S STRATEGY, WITH WHICH WE AGREED, WAS TO ENSURE THAT ANY COLLAPSE OF TALKS WOULD BE OVER MAJOR ISSUE OF LINKAGE OF DISCUSSION OF RAW MATERIALS TO ENERGY. SOME PROGRESS ON INDIVIDUAL ITEMS WAS MADE PRIOR TO THE ADJOURNMENT AT 1330.

6. AT 11:30, IEA GB CONVENED AND WAS PRESENTED REVISED EC-PROPOSED AGENDA. DELEGATION GENERALLY APPROVED DOCUMENT, ALTHOUGH SOME DELS' (PARTICULARLY BRITISH, GERMAN AND DANES) EXPRESSED SOME CONCERN THAT NEW AGENDA MOVED TOO FAR TOWARD ACCOMMODATING OPEC/LDC GROUP. ALL MEMBERS (INCLUDING NOTABLY SWEDEN, SPAIN, AUSTRIA, ITALY) TOOK POSITION THAT INDUSTRIALIZED COUNTRIES SHOULD STAND ON THIS EC DRAFT AND NOT REPEAT NOT GO BEYOND IT. ALL EXPRESSED DISAPPOINTMENT AT APPARENT OPEC UNWILLINGNESS TO TALK SERIOUSLY ABOUT ENERGY. 7. WHEN THE CONTACT GROUP RESUMED CONSULTATIONS, OPEC/LDC GROUP SAID THEY WOULD NOT ACCEPT THE LINKAGE OF ALL AGENDA ITEMS TO ENERGY. JAPANESE DELEGATE, MIYAZAKI, JOINED GROUP AND MADE CAREFUL, PRECISE STATEMENT THAT HIS DELEGATION WAS VERY FIRM ON THE QUESTION OF LINKAGE. U.S. DELEGATE ROBINSON THEN MADE A STATEMENT, MORE IN SORROW THAN ANGER, INDICATING REGRET THAT OPEC/LDC GROUP HAD NOT BEEN ABLE TO RECOGNIZE OUR NEED TO MAINTAIN LINK TO ENERGY.

8. OPEC/LDC REPS REPLIED WITH GENERAL STATEMENTS, IN NON-CONFRONTATIONAL MANNER, REITERATING WELL KNOWN POSITIONS DERIVED FROM OPEC SUMMIT DECLARATION. WE INDICATED THAT WE COULD NOT MOVE ANY FURTHER' ESPECIALLY ON LINK. YEGANEH (IRAN) ANNOUNCED THAT HE HAD JUST RECEIVED INSTRUCTIONS WHICH PREVENTED HIM FROM ACCEPTING PARA 5 HEADING.

9. CONTACT GROUP THEN RECESSED UNTIL SATURDAY MORNING.

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